

BILL # HB 2321

TITLE: veteran special plates; fees

SPONSOR: McClure

STATUS: As Amended by House Transportation

REQUESTED BY: House

PREPARED BY: Bob Hull

FISCAL ANALYSIS

Description

The amended bill would reduce the annual renewal fee for personalized veteran special license plates from \$50 to \$25, which would be deposited \$8 to the State Highway Fund and \$17 to the Veterans' Donations Fund.

Estimated Impact

The amended bill would decrease State Highway Fund annual revenue by \$(9,300) beginning in FY 2005, for a \$(25) reduction in the annual renewal fee of 734 personalized veteran plates. The amended bill also has the potential to slightly reduce the funding for non-veteran special plates and to increase funding to the Veterans' Donations Fund.

The Arizona Department of Transportation (ADOT) estimates expenditures of \$27,500 from the State Highway Fund for implementation costs, including \$24,000 for programming and \$3,500 for forms.

Analysis

The current annual renewal fees for personalized veteran plates total \$50, including \$25 for veteran special plates and \$25 to HURF for the personalized plate fee. The \$25 for veteran plates is split \$8 to the State Highway Fund for administration costs and \$17 to the Veterans' Donations Fund. The amended bill would allow annual renewal of personalized veteran plates for \$25, by eliminating the \$25 personalized plate fee to HURF. ADOT reports that there were 734 personalized veteran plates as of December 31, 2003, and that the number has not changed significantly for the past several years. The amended bill would decrease annual State Highway Fund revenue by \$(9,300) beginning in FY 2005, including decreases of \$(7,900) for statewide highway construction and \$(1,400) for controlled access freeways in Maricopa and Pima counties.

It is possible that under the amended bill an unknown number of the 10,446 veterans who currently have veteran special plates may opt for personalized veteran plates at some future time. Although the original fee for personalized veteran plates would be \$50, the annual renewal fee would be \$25 for either the veteran plate or the personalized veteran plate. It is also possible that some personalized special plate owners who are also veterans may opt to switch to a personalized veteran plate, since the annual renewal fee would be \$25 for the personalized veteran plate as opposed to \$50 for a personalized special plate. In this case, both the State Highway Fund and the recipients of the special plate proceeds would lose funding, while the Veterans' Donations Fund would gain funding.

The amended bill would have a general effective date.

Local Government Impact

Local governments would have an annual decrease of \$(9,100) in their HURF distributions beginning in FY 2005, including decreases of \$(5,600) to cities and \$(3,500) to counties. In addition, State Highway Fund monies for urban controlled access freeways would decrease by \$(1,400) as described above. Monies for urban controlled access freeways are divided 75% for Maricopa County and 25% for Pima County. Pima County may also use some of their monies for arterial streets and highways.